



Union of Concerned Scientists

Citizens and Scientists for Environmental Solutions

October 15, 2008

Philip Giudice, Commissioner
Massachusetts Department of Energy Resources
100 Cambridge Street, Suite 1020
Boston, MA 02114

Re: Comments – Class I Regulations – Union of Concerned Scientists

Commissioner Giudice:

Thank you for the opportunity to comment on the Massachusetts Department of Energy Resources's rule-making for the RPS Class I provisions of the Green Communities Act. The Union of Concerned Scientists is the leading science-based non-profit working for a healthy environment and a safer world. UCS's Clean Energy Program focuses on encouraging the development of clean and renewable energy resources and on improving energy efficiency. Participating in the design and implementation of state renewable energy policies is one way UCS actively works toward these ends and promotes the public interest, which is served by a reliable and efficient regional electricity market.

A primary focus of efforts contributing to the development of the Green Communities Act was achieving greater clarity on the future of the Massachusetts RPS—the targets/demand, for example, and the range of technologies to be included—given the importance of such clarity for advancing renewable energy in and for the state. In that light, we offer comments on selected aspects of the RPS Class I regulations:

Hydro should be included with clear, appropriate environmental protections.

Regardless of the specific “appropriate and site-specific standards” for environmental protection mandated by the Green Communities Act and selected by the Department for the participation of output from hydroelectric facilities in the Massachusetts RPS, the final regulations should provide clear guidance to prospective developers and investors about those requirements and the path for proving compliance.

The Class I ACP level should remain on its current trajectory. Four New England states now have matching ACP levels, with Rhode Island, New Hampshire, and Maine choosing to set theirs explicitly based on Massachusetts'. That degree of uniformity provides more consistent signals for the development of renewable energy for the region. Massachusetts should adopt no unilateral change that would disrupt that uniformity and those consistent signals.

More broadly, given the ACP's role in setting the market price for RECs when supply is less than demand, any reduction of the ACP level—or even the strong prospect of a reduction—would disrupt market signals about REC prices and likely dampen the enthusiasm of renewable energy developers and prospective investors to serve Massachusetts. The state should be clear in its support for the current ACP trajectory for the foreseeable future.

The scope of on-site generation should be made clear. Regulations around on-site generation should send clear signals to prospective developers and investors about the likely impact of the new provisions. Because the demand for renewable energy under the Massachusetts RPS is a fixed quantity, the magnitude of the on-site generation piece of the RPS will determine the remainder available for service for the large-scale, off-site generation. The regulations should, to the degree possible, provide clarity about the likely magnitude of the on-site piece.

Thank you for your attention.

Sincerely,

John H. Rogers
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